

Message Text

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15

ACTION EB-07

INFO OCT-01 EUR-12 EA-10 ISO-00 AID-05 CIAE-00 COME-00

FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06

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STR-04 CEA-01 PA-02 PRS-01 AGR-10 TAR-01 INT-05 FEA-01

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FM AMEMBASSY TOKYO

TO SECSTATE WASHDC PRIORITY 213

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY THE HAGUE

AMCONSUL HONG KONG

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION EC BRUSSELS

USMISSION OECD PARIS

UNCLAS TOKYO 6560

DEPARTMENT PASS TREASURY, CEA AND FEDERAL RESERVE

E.O. 11652: N/A

TAGS: EFIN, JA

SUBJECT: JAPAN'S BALANCE OF PAYMENTS IN APRIL - PROVISIONAL

REF: TOKYO 6483

SUMMARY: IN PROVISIONAL APRIL B/P STATISTICS OVERALL
BALANCE MOVED BACK INTO DEFICIT AFTER TWO CONSECUTIVE
MONTHS' SURPLUSES DUE TO LARGE DEFICIT REGISTERED ON NON-
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MONETARY SHORT-TERM CAPITAL AND ERRORS AND OMISSIONS AS
WELL AS NET OUTFLOW ON LONG-TERM CAPITAL ACCOUNT. END
SUMMARY.

1. IN APRIL NON-MONETARY SHORT-TERM CAPITAL AND ERRORS AND OMISSIONS RECORDED LARGE DEFICIT OF \$550 MIL. JAPAN'S EXPORTS OF SHIPS INCREASED VERY SHARPLY IN APRIL (REPORTED IN REFTEL) AND MOF OFFICIALS ATTRIBUTED APPROXIMATELY ONE-THIRD OF THIS MONTH'S DEFICIT ON NON-MONETARY SHORT-TERM CAPITAL AND ERRORS AND OMISSIONS TO TRANSACTIONS RELATED TO PREPAYMENTS IN EARLIER MONTHS FOR JAPAN'S APRIL EXPORTS OF SHIPS.

2. THE LONG-TERM CAPITAL ACCOUNT REGISTERED AN \$80 MIL NET OUTFLOW FOLLOWING TWO CONSECUTIVE MONTHS' NET INFLOWS. MOF SOURCES SAID PURCHASES OF JAPANESE BONDS BY NON-RESIDENTS AND BOND ISSUES ABROAD BY JAPANESE ENTERPRISES HAVE REMAINED BRISK. HOWEVER, IN APRIL JAPANESE PRIVATE ENTERPRISES INCLUDING BANKS SHARPLY INCREASED THEIR LENDING ABROAD TO ALMOST DOUBLE THE MONTHLY AVERAGE OF NEARBY \$100 MIL REGISTERED IN JFY 1974.

3. MOF OFFICIALS ALSO NOTED THAT THE \$440 MIL DEFICIT IN SERVICES AND TRANSFERS WAS \$112 MIL DROP IN DEFICIT RELATIVE TO PRIOR MONTH; OFFICIAL SAID REDUCED DEFICIT REFLECTS SEASONAL UPSWING IN REMITTANCE TO JAPAN FROM BRANCHES OF JAPANESE BANKS ABROAD.

4. ON SEASONALLY ADJUSTED BASIS, TRADE SURPLUS INCREASED \$325 MIL TO REACH \$826 MIL LEVEL. EXPORTS (F.O.B., SEASONALLY UNADJUSTED) INCREASED \$246 MIL (5.4 PERCENT). HOWEVER, IMPORTS (F.O.B., SEASONALLY ADJUSTED) DROPPED \$79 MIL (2.0 PERCENT).

5. DEFICIT IN OVERALL BALANCE OF \$420 MIL WAS FINANCED BY INCREASE IN COMMERCIAL BANKS' SHORT-TERM NET POSITION OF \$550 MIL. AS RESULT, OFFICIAL SETTLEMENTS BALANCE RECORDED SURPLUS OF \$130 MIL. PUBLISHED OFFICIAL RESERVES INCREASED \$183 MIL FROM MARCH LEVEL TO \$14,335 MIL. GOLD AND FOREIGN EXCHANGE TOTALED \$13,012 MIL, GOLD TRANCHE \$787 MIL, AND SDR'S \$536 MIL.
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6. FOLLOWING ARE PRELIMINARY MOF DATA ON APRIL BALANCE OF PAYMENTS IN MIL DOLLARS (IMF BASIS, NOT SEASONALLY ADJUSTED). AMOUNTS ARE PLUS (I.E. RECEIPTS) UNLESS SHOWN AS QTE MIN UNQTE.

	APRIL	MARCH	
	PROVISIONAL	REVISED	CHANGE
(1) CURRENT BALANCE	210	237	MIN 27
TRADE BALANCE	650	789	MIN 139
EXPORTS	4,740	4,987	MIN 247
IMPORTS	MIN 4,090	MIN 4,198	108
SERVICES AND			
TRANSFERS	MIN 440	MIN 552	112

(2) LONG-TERM CAPITAL MIN 80 89 MIN 169

(3) BASIC BALANCE 130 326 MIN 196

(4) NON-MONETARY SHORT-

TERM CAPITAL AND

ERRORS AND OMIS-

SIONS COMBINED MIN 550 MIN 28 MIN 522

(5) OVERALL BALANCE MIN 420 298 MIN 718

(6) COMMERCIAL BANKS

SHORT-TERM NET

POSITION 550 MIN 118 668

(7) OFFICIAL SETTLE-

MENTS BALANCE 130 180 MIN 50

7. SEASONALLY ADJUSTED TRADE DATA (IMF BASIS) AS FOLLOWS:

	APRIL	MARCH	
	PROVISIONAL	REVISED	CHANGE
EXPORTS	4,787	4,541	246
IMPORTS	MIN 3,961	MIN 4,040	79
BALANCE	826	501	315

8. NOTE: RATES OF EXCHANGE USED BY MOF TO CONVERT TO DOLLAR BASIS WERE 292.14 YEN PER DOLLAR FOR APRIL AND 287.67 YEN PER DOLLAR FOR MARCH.

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